

(3) by inserting after subsection (d) the following:

“(e) CREDIT SUPPORT FOR FINANCING PROGRAMS.—

“(1) IN GENERAL.—In the case of programs that finance the retrofitting of residential, commercial, and industrial buildings, facilities, and equipment described in subsection (a)(4), the Secretary may—

“(A) offer loan guarantees for portfolios of debt obligations; and

“(B) purchase or make commitments to purchase portfolios of debt obligations.

“(2) TERM.—Notwithstanding section 1702(f), the term of any debt obligation that receives credit support under this subsection shall require full repayment over a period not to exceed the lesser of—

“(A) 30 years; and

“(B) the projected weighted average useful life of the measure or system financed by the debt obligation or portfolio of debt obligations (as determined by the Secretary).

“(3) UNDERWRITING.—The Secretary may—

“(A) delegate underwriting responsibility for portfolios of debt obligations under this subsection to financial institutions that meet qualifications determined by the Secretary; and

“(B) determine an appropriate percentage of loans in a portfolio to review in order to confirm sound underwriting.

“(4) ADMINISTRATION.—Subsections (c) and (d)(3) of section 1702 and subsection (c) of this section shall not apply to loan guarantees made under this subsection.”

(j) TERMINATION OF EFFECTIVENESS.—The authority provided by this section and the amendments made by this section terminates effective on the date that is 2 years after the date of enactment of this Act.

SEC. 115. FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subject to subsection (j), there is authorized to be appropriated to carry out this title \$5,000,000,000 for the period of fiscal years 2010 through 2012.

(2) MAINTENANCE OF FUNDING.—Funds provided under this section shall supplement and not supplant any Federal and State funding provided to carry out energy efficiency programs in existence on the date of enactment of this Act.

(b) GRANTS TO STATES.—

(1) IN GENERAL.—Of the amount provided under subsection (a), \$380,000,000 or not more than 6 percent, whichever is less, shall be used to carry out section 108.

(2) DISTRIBUTION TO STATE ENERGY OFFICES.—

(A) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary shall—

(i) provide to State energy offices 25 percent of the funds described in paragraph (1); and

(ii) determine a formula to provide the balance of funds to State energy offices through a performance-based system.

(B) ALLOCATION.—

(i) ALLOCATION FORMULA.—Funds described in subparagraph (A)(i) shall be made available in accordance with the allocation formula for State energy conservation plans established under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.).

(ii) PERFORMANCE-BASED SYSTEM.—The balance of the funds described in subparagraph (A)(ii) shall be made available in accordance with the performance-based system described in subparagraph (A)(ii).

(c) QUALITY ASSURANCE COSTS.—

(1) IN GENERAL.—Of the amount provided under subsection (a), not more than 5 percent shall be used to carry out the quality assurance provisions of this title.

(2) MANAGEMENT.—Funds provided under this subsection shall be overseen by—

(A) State energy offices described in subsection (b)(2); or

(B) other entities determined by the Secretary to be eligible to carry out quality assurance functions under this title.

(3) DISTRIBUTION TO QUALITY ASSURANCE PROVIDERS OR REBATE AGGREGATORS.—The Secretary shall use funds provided under this subsection to compensate quality assurance providers, or rebate aggregators, for services under the Silver Star Home Energy Retrofit Program or the Gold Star Home Energy Retrofit Program through the Federal Rebate Processing Center based on the services provided to contractors under a quality assurance program and rebate aggregation.

(4) INCENTIVES.—The amount of incentives provided to quality assurance providers or rebate aggregators shall be—

(A)(i) in the case of the Silver Star Home Energy Retrofit Program—

(I) \$25 per rebate review and submission provided under the program; and

(II) \$150 for each field inspection conducted under the program; and

(ii) in the case of the Gold Star Home Energy Retrofit Program—

(I) \$35 for each rebate review and submission provided under the program; and

(II) \$300 for each field inspection conducted under the program; or

(B) such other amounts as the Secretary considers necessary to carry out the quality assurance provisions of this title.

(d) TRACKING OF REBATES AND EXPENDITURES.—Of the amount provided under subsection (a), not more than \$150,000,000 shall be used for costs associated with database systems to track rebates and expenditures under this title and related administrative costs incurred by the Secretary.

(e) PUBLIC EDUCATION AND COORDINATION.—Of the amount provided under subsection (a), not more than \$10,000,000 shall be used for costs associated with public education and coordination with the Federal Energy Star program incurred by the Administrator.

(f) INDIAN TRIBES.—Of the amount provided under subsection (a), the Secretary shall reserve not more than 3 percent to make grants available to Indian tribes under this section.

(g) SILVER STAR HOME ENERGY RETROFIT PROGRAM.—

(1) IN GENERAL.—In the case of the Silver Star Home Energy Retrofit Program, of the amount provided under subsection (a) after funds are provided in accordance with subsections (b) through (e), \$2,751,000,000 for the 1-year period beginning on the date of enactment of this Act (less any amounts required under subsection (f)) shall be used by the Secretary to provide rebates and incentives authorized under the Silver Star Home Energy Retrofit Program.

(2) PRODUCTS PURCHASED WITHOUT INSTALLATION SERVICES.—Of the amounts made available for the Silver Star Home Energy Retrofit Program under this section, not more than \$250,000,000 shall be made available for rebates under section 106(e).

(h) GOLD STAR HOME ENERGY RETROFIT PROGRAM.—In the case of the Gold Star Home Energy Retrofit Program, of the amount provided under subsection (a) after funds are provided in accordance with subsections (b) through (e), \$1,349,000,000 for the 2-year period beginning on the date of enactment of this Act (less any amounts required under subsection (f)) shall be used by the Secretary to provide rebates and incentives authorized under the Gold Star Home Energy Retrofit Program.

(i) PROGRAM REVIEW AND BACKSTOP FUNDING.—

(1) REVIEW AND ANALYSIS.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall perform a State-by-State analysis and review the distribution of Home Star retrofit rebates under this title.

(B) RENTAL UNITS.—Not later than 120 days after the date of enactment of this Act, the Secretary shall perform a review and analysis, with input and review from the Secretary of Housing and Urban Development, of the procedures for delivery of services to rental units.

(2) ADJUSTMENT.—The Secretary may allocate technical assistance funding to assist States that, as determined by the Secretary—

(A) have not sufficiently benefitted from the Home Star Retrofit Rebate Program; or

(B) in which rental units have not been adequately served.

(j) RETURN OF UNDISBURSED FUNDS.—

(1) SILVER STAR HOME ENERGY RETROFIT PROGRAM.—If the Secretary has not disbursed all the funds available for rebates under the Silver Star Home Energy Retrofit Program by the date that is 1 year after the date of enactment of this Act, any undisbursed funds shall be made available to the Gold Star Home Energy Retrofit Program.

(2) GOLD STAR HOME ENERGY RETROFIT PROGRAM.—If the Secretary has not disbursed all the funds available for rebates under the Gold Star Home Energy Retrofit Program by the date that is 2 years after the date of enactment of this Act, any undisbursed funds shall be returned to the Treasury.

(k) FINANCING.—Of the amounts allocated to the States under subsection (b), not less than \$200,000,000 shall be used to carry out the financing provisions of this title in accordance with section 114.

TITLE II—PERFORMANCE BASED ENERGY IMPROVEMENT TAX CREDITS

SEC. 201. PERFORMANCE BASED ENERGY IMPROVEMENTS FOR NONBUSINESS PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 25D the following new section: “SEC. 25E. PERFORMANCE BASED ENERGY IMPROVEMENTS.

“(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the amount of qualified home energy efficiency expenditures paid or incurred by the taxpayer during the taxable year.

“(b) LIMITATIONS.—

“(1) DOLLAR LIMITATION.—

“(A) IN GENERAL.—The amount of the credit allowed under subsection (a) with respect to any individual for any taxable year shall not exceed the amount determined under subparagraph (B) with respect to the principal residence of such individual.

“(B) AMOUNT DETERMINED.—

“(i) IN GENERAL.—Subject to clause (iv), the amount determined under this subparagraph is the base amount increased by the amount determined under clause (iii).

“(ii) BASE AMOUNT.—For purposes of this subparagraph, the base amount is—

“(I) \$3,000, in the case of a residence the construction of which is completed before January 1, 2000, and

“(II) \$2,000, in the case of a residence the construction of which is completed after December 31, 1999.

“(iii) INCREASE AMOUNT.—The amount determined under this clause is—

“(I) in the case of a residence described in clause (ii)(I) which has a rating system score equal to the rating system score which corresponds to the IECC Standard Reference Design for a home of the size and in the climate zone of such residence, \$1,000, and